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E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [WTRO](#) [AU](#)
SUBJECT: AUSTRIAN RESPONSE: DEMARCHE ON GAMBLING/WTO
ARTICLE XXI PROCEDURE

REF: STATE 165472

¶1. (SBU) EconUnit Chief delivered reftel points on December 12 to Gabriella Habermayer, Head of the Ministry of Economics' (MoE) Multilateral Trade Division and to Helge Plank, Head of the MoE's Services Trade Unit. Plank said that, at last week's 133 Committee meeting, "a large Member State and a very small Member State" raised strong objections to the latest U.S. proposal to offer new service commitments in exchange for withdrawing commitments in the gambling and betting sector. Based on the positions of these two Member States, the Commission decided to reject the U.S. offer. Austria will not oppose the Commission's decision.

¶2. (SBU) According to Plank, the Commission and the two vocal Member States believe that the U.S. compensation is not sufficient. Plank opined that it was difficult to calculate precisely how much the withdrawal of gambling from the U.S. commitments was really worth. Plank added that, while the economic impact was relatively small for the "large Member State," the loss in potential economic gains for the "small Member State" was a much more significant portion of that country's economy. In Plank's view, the Commission and affected Member States would be willing to accept the withdrawal of gambling from the U.S. commitments, if the U.S. agrees to moderately increase its proposed compensation.
Kilner